



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

HB2584

by Rep. Emanuel Chris Welch

SYNOPSIS AS INTRODUCED:

735 ILCS 5/2-1303	from Ch. 110, par. 2-1303
735 ILCS 5/2-1402	from Ch. 110, par. 2-1402
735 ILCS 5/12-803	from Ch. 110, par. 12-803
735 ILCS 5/12-805	from Ch. 110, par. 12-805
735 ILCS 5/12-808	from Ch. 110, par. 12-808
735 ILCS 5/12-1001	from Ch. 110, par. 12-1001
735 ILCS 5/12-1001.5 new	
740 ILCS 170/1	from Ch. 48, par. 39.1
740 ILCS 170/2 rep.	
740 ILCS 170/2.1 rep.	
740 ILCS 170/2.2 rep.	
740 ILCS 170/3 rep.	
740 ILCS 170/4 rep.	
740 ILCS 170/4.1 rep.	
740 ILCS 170/4.2 rep.	
740 ILCS 170/4.3 rep.	
740 ILCS 170/5 rep.	
740 ILCS 170/6 rep.	
740 ILCS 170/7 rep.	
740 ILCS 170/8 rep.	
740 ILCS 170/9 rep.	
740 ILCS 170/10 rep.	
740 ILCS 170/11 rep.	
820 ILCS 115/9	from Ch. 48, par. 39m-9

Amends the Code of Civil Procedure. Makes changes in Sections governing: interest on judgments; supplementary proceedings; wages subject to collection; summons and issuance for proceedings relating to wage collection orders; employer duties; and personal property exempt from judgment. Adds a Section providing for the upward adjustment of exempted amounts in specified situations. Amends the Illinois Wage Assignment Act. Provides that no assignment of wages earned or to be earned is valid. Repeals the remainder of the substance of the Act. Makes a corresponding change in the Illinois Wage Payment and Collection Act. Effective immediately.

LRB099 09858 HEP 30070 b

1 AN ACT concerning civil law.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Code of Civil Procedure is amended by
5 changing Sections 2-1303, 2-1402, 12-803, 12-805, 12-808, and
6 12-1001 and by adding Section 12-1001.5 as follows:

7 (735 ILCS 5/2-1303) (from Ch. 110, par. 2-1303)

8 Sec. 2-1303. Interest on judgment. Judgments recovered in
9 any court shall draw interest at a maximum rate of interest
10 equal to the weekly average One-Year Constant Maturity Treasury
11 Yield, as published by the Board of Governors of the Federal
12 Reserve System, for the calendar week preceding the date of
13 judgment until satisfied. Except as otherwise provided in this
14 Section, no other rate of interest on the judgment is
15 permitted. Judgments recovered in any court shall draw interest
16 at the rate of ~~the rate of 9% per annum from the date of the~~
17 ~~judgment until satisfied or~~ 6% per annum when the judgment
18 debtor is a unit of local government, as defined in Section 1
19 of Article VII of the Constitution, a school district, a
20 community college district, or any other governmental entity.
21 When judgment is entered upon any award, report or verdict,
22 interest shall be computed at the above rate, from the time
23 when made or rendered to the time of entering judgment upon the

1 same, and included in the judgment. Interest shall be computed
2 and charged only on the unsatisfied portion of the judgment as
3 it exists from time to time. The judgment debtor may by tender
4 of payment of judgment, costs and interest accrued to the date
5 of tender, stop the further accrual of interest on such
6 judgment notwithstanding the prosecution of an appeal, or other
7 steps to reverse, vacate or modify the judgment. The provisions
8 of this Section are not waivable by contract.

9 (Source: P.A. 85-907.)

10 (735 ILCS 5/2-1402) (from Ch. 110, par. 2-1402)

11 Sec. 2-1402. Supplementary proceedings.

12 (a) A judgment creditor, or his or her successor in
13 interest when that interest is made to appear of record, is
14 entitled to prosecute supplementary proceedings for the
15 purposes of examining the judgment debtor or any other person
16 to discover assets or income of the debtor not exempt from the
17 enforcement of the judgment, a deduction order or garnishment,
18 and of compelling the application of non-exempt assets or
19 income discovered toward the payment of the amount due under
20 the judgment. A supplementary proceeding shall be commenced by
21 the service of a citation issued by the clerk. The procedure
22 for conducting supplementary proceedings shall be prescribed
23 by rules. It is not a prerequisite to the commencement of a
24 supplementary proceeding that a certified copy of the judgment
25 has been returned wholly or partly unsatisfied. All citations

1 issued by the clerk shall have the following language, or
2 language substantially similar thereto, stated prominently on
3 the front, in capital letters: "IF YOU FAIL TO APPEAR IN COURT
4 AS DIRECTED IN THIS NOTICE, YOU MAY BE ARRESTED AND BROUGHT
5 BEFORE THE COURT TO ANSWER TO A CHARGE OF CONTEMPT OF COURT,
6 WHICH MAY BE PUNISHABLE BY IMPRISONMENT IN THE COUNTY JAIL."
7 The court shall not grant a continuance of the supplementary
8 proceeding except upon good cause shown.

9 (b) Any citation served upon a judgment debtor or any other
10 person shall include a certification by the attorney for the
11 judgment creditor or the judgment creditor setting forth the
12 amount of the judgment, the date of the judgment, or its
13 revival date, the balance due thereon, the name of the court,
14 and the number of the case, and a copy of the citation notice
15 required by this subsection. Whenever a citation is served upon
16 a person or party other than the judgment debtor, the officer
17 or person serving the citation shall send to the judgment
18 debtor, within three business days of the service upon the
19 cited party, a copy of the citation and the citation notice,
20 which may be sent by regular first-class mail to the judgment
21 debtor's last known address. In no event shall a citation
22 hearing be held sooner than five business days after the
23 mailing of the citation and citation notice to the judgment
24 debtor, except by agreement of the parties. The citation notice
25 need not be mailed to a corporation, partnership, or
26 association. The citation notice shall be in substantially the

1 following form:

2 "CITATION NOTICE

3 (Name and address of Court)

4 Name of Case: (Name of Judgment Creditor),

5 Judgment Creditor v.

6 (Name of Judgment Debtor),

7 Judgment Debtor.

8 Address of Judgment Debtor: (Insert last known
9 address)

10 Name and address of Attorney for Judgment
11 Creditor or of Judgment Creditor (If no
12 attorney is listed): (Insert name and address)

13 Amount of Judgment: \$ (Insert amount)

14 Name of Person Receiving Citation: (Insert name)

15 Court Date and Time: (Insert return date and time
16 specified in citation)

17 NOTICE: The court has issued a citation against the person
18 named above. The citation directs that person to appear in
19 court to be examined for the purpose of allowing the judgment
20 creditor to discover income and assets belonging to the
21 judgment debtor or in which the judgment debtor has an
22 interest. The citation was issued on the basis of a judgment
23 against the judgment debtor in favor of the judgment creditor
24 in the amount stated above. On or after the court date stated
25 above, the court may compel the application of any discovered
26 income or assets toward payment on the judgment.

1 The amount of income or assets that may be applied toward
2 the judgment is limited by federal and Illinois law. The
3 JUDGMENT DEBTOR HAS THE RIGHT TO ASSERT STATUTORY EXEMPTIONS
4 AGAINST CERTAIN INCOME OR ASSETS OF THE JUDGMENT DEBTOR WHICH
5 MAY NOT BE USED TO SATISFY THE JUDGMENT IN THE AMOUNT STATED
6 ABOVE:

7 (1) Under Illinois or federal law, the exemptions of
8 personal property owned by the debtor include the debtor's
9 equity interest, not to exceed \$4,000 in value, in any
10 personal property as chosen by the debtor; Social Security
11 and SSI benefits; public assistance benefits; unemployment
12 compensation benefits; worker's compensation benefits;
13 veteran's benefits; circuit breaker property tax relief
14 benefits; the debtor's equity interest, not to exceed
15 \$2,400 in value, in any one motor vehicle, and the debtor's
16 equity interest, not to exceed \$1,500 in value, in any
17 implements, professional books, or tools of the trade of
18 the debtor.

19 (2) Under Illinois law, every person is entitled to an
20 estate in homestead, when it is owned and occupied as a
21 residence, to the extent in value of \$15,000, which
22 homestead is exempt from judgment.

23 (3) Under Illinois law, the amount of wages that may be
24 applied toward a judgment is limited to the lesser of (i)
25 10% ~~15%~~ of gross weekly wages or (ii) the amount by which
26 disposable earnings for a week exceed the total of 50 ~~45~~

1 times the federal minimum hourly wage or, under a wage
2 deduction summons served on or after January 1, 2006, the
3 Illinois minimum hourly wage or the local minimum hourly
4 wage law to which the debtor's employer is subject,
5 whichever is greater.

6 (4) Under federal law, the amount of wages that may be
7 applied toward a judgment is limited to the lesser of (i)
8 25% of disposable earnings for a week or (ii) the amount by
9 which disposable earnings for a week exceed 30 times the
10 federal minimum hourly wage.

11 (5) Pension and retirement benefits and refunds may be
12 claimed as exempt under Illinois law.

13 The judgment debtor may have other possible exemptions
14 under the law.

15 THE JUDGMENT DEBTOR HAS THE RIGHT AT THE CITATION HEARING
16 TO DECLARE EXEMPT CERTAIN INCOME OR ASSETS OR BOTH. The
17 judgment debtor also has the right to seek a declaration at an
18 earlier date, by notifying the clerk in writing at (insert
19 address of clerk). When so notified, the Clerk of the Court
20 will obtain a prompt hearing date from the court and will
21 provide the necessary forms that must be prepared by the
22 judgment debtor or the attorney for the judgment debtor and
23 sent to the judgment creditor and the judgment creditor's
24 attorney regarding the time and location of the hearing. This
25 notice may be sent by regular first class mail."

26 (b-1) Any citation served upon a judgment debtor who is a

1 natural person shall be served by personal service or abode
 2 service as provided in Supreme Court Rule 105 and shall include
 3 a copy of the Income and Asset Form set forth in subsection
 4 (b-5).

5 (b-5) The Income and Asset Form required to be served by
 6 the judgment creditor in subsection (b-1) shall be in
 7 substantially the following form:

8 INCOME AND ASSET FORM

9 To Judgment Debtor: Please complete this form and bring
 10 it with you to the hearing referenced in the enclosed
 11 citation notice. You should also bring to the hearing any
 12 documents you have to support the information you provide
 13 in this form, such as pay stubs and account statements. The
 14 information you provide will help the court determine
 15 whether you have any property or income that can be used to
 16 satisfy the judgment entered against you in this matter.
 17 The information you provide must be accurate to the best of
 18 your knowledge.

19 If you fail to appear at this hearing, you could be
 20 held in contempt of court and possibly arrested.

21 In answer to the citation and supplemental proceedings
 22 served upon the judgment debtor, he or she answers as
 23 follows:

24 Name:.....

1 Home Phone Number:.....

2 Home Address:.....

3 Date of Birth:.....

4 Marital Status:.....

5 I have.....dependents.

6 Do you have a job? YES NO

7 Company's name I work for:.....

8 Company's address:.....

9 Job:

10 I earn \$..... per.....

11 If self employed, list here your business name and
12 address:

13

14 Income from self employment is \$..... per
15 year.

16 I have the following benefits with my employer:

17

18 I do not have a job, but I support myself through:

19 Government Assistance \$..... per month

20 Unemployment \$..... per month

21 Social Security \$..... per month

22 SSI \$..... per month

23 Pension \$..... per month

24 Other \$..... per month

25 Real Estate:

1 Do you own any real estate? YES NO

2 I own real estate at....., with names of other
3 owners

4

5 Additional real estate I own:

6 I have a beneficial interest in a land trust. The name
7 and address of the trustee is:..... The beneficial
8 interest is listed in my name and

9 There is a mortgage on my real estate. State the
10 mortgage company's name and address for each parcel of real
11 estate owned:

12

13 An assignment of beneficial interest in the land trust
14 was signed to secure a loan from.....

15 I have the following accounts:

16 Checking account at;
17 account balance \$.....

18 Savings account at;
19 account balance \$.....

20 Money market or certificate of deposit at

21 Safe deposit box at

22 Other accounts (please identify):

23 I own:

24 A vehicle (state year, make, model, and VIN):

25 Jewelry (please specify):

26 Other property described as:.....

- 1 Stocks/Bonds.....
- 2 Personal computer.....
- 3 DVD player.....
- 4 Television.....
- 5 Stove.....
- 6 Microwave.....
- 7 Work tools.....
- 8 Business equipment.....
- 9 Farm equipment.....
- 10 Other property (please specify):
- 11

12 Signature:.....

13 (b-10) Any action properly initiated under this Section may
14 proceed notwithstanding an absent or incomplete Income and
15 Asset Form, and a judgment debtor may be examined for the
16 purpose of allowing the judgment creditor to discover income
17 and assets belonging to the judgment debtor or in which the
18 judgment debtor has an interest.

19 (c) When assets or income of the judgment debtor not exempt
20 from the satisfaction of a judgment, a deduction order or
21 garnishment are discovered, the court may, by appropriate order
22 or judgment:

23 (1) Compel the judgment debtor to deliver up, to be
24 applied in satisfaction of the judgment, in whole or in
25 part, money, choses in action, property or effects in his
26 or her possession or control, so discovered, capable of

1 delivery and to which his or her title or right of
2 possession is not substantially disputed.

3 (2) Compel the judgment debtor to pay to the judgment
4 creditor or apply on the judgment, in installments, a
5 portion of his or her income, however or whenever earned or
6 acquired, as the court may deem proper, having due regard
7 for the reasonable requirements of the judgment debtor and
8 his or her family, if dependent upon him or her, as well as
9 any payments required to be made by prior order of court or
10 under wage assignments outstanding; provided that the
11 judgment debtor shall not be compelled to pay income which
12 would be considered exempt as wages under the Wage
13 Deduction Statute. The court may modify an order for
14 installment payments, from time to time, upon application
15 of either party upon notice to the other.

16 (3) Compel any person cited, other than the judgment
17 debtor, to deliver up any assets so discovered, to be
18 applied in satisfaction of the judgment, in whole or in
19 part, when those assets are held under such circumstances
20 that in an action by the judgment debtor he or she could
21 recover them in specie or obtain a judgment for the
22 proceeds or value thereof as for conversion or
23 embezzlement. A judgment creditor may recover a corporate
24 judgment debtor's property on behalf of the judgment debtor
25 for use of the judgment creditor by filing an appropriate
26 petition within the citation proceedings.

1 (4) Enter any order upon or judgment against the person
2 cited that could be entered in any garnishment proceeding.

3 (5) Compel any person cited to execute an assignment of
4 any chose in action or a conveyance of title to real or
5 personal property or resign memberships in exchanges,
6 clubs, or other entities in the same manner and to the same
7 extent as a court could do in any proceeding by a judgment
8 creditor to enforce payment of a judgment or in aid of the
9 enforcement of a judgment.

10 (6) Authorize the judgment creditor to maintain an
11 action against any person or corporation that, it appears
12 upon proof satisfactory to the court, is indebted to the
13 judgment debtor, for the recovery of the debt, forbid the
14 transfer or other disposition of the debt until an action
15 can be commenced and prosecuted to judgment, direct that
16 the papers or proof in the possession or control of the
17 debtor and necessary in the prosecution of the action be
18 delivered to the creditor or impounded in court, and
19 provide for the disposition of any moneys in excess of the
20 sum required to pay the judgment creditor's judgment and
21 costs allowed by the court.

22 (c-5) If a citation is directed to a judgment debtor who is
23 a natural person, no payment order shall be entered under
24 subsection (c) unless the Income and Asset Form was served upon
25 the judgment debtor as required by subsection (b-1), the
26 judgment debtor has had an opportunity to assert exemptions,

1 and the payments are from non-exempt sources.

2 (d) No order or judgment shall be entered under subsection
3 (c) in favor of the judgment creditor unless there appears of
4 record a certification of mailing showing that a copy of the
5 citation and a copy of the citation notice was mailed to the
6 judgment debtor as required by subsection (b).

7 (d-5) If upon examination the court determines that the
8 judgment debtor does not possess any non-exempt income or
9 assets, then the citation shall be dismissed.

10 (e) All property ordered to be delivered up shall, except
11 as otherwise provided in this Section, be delivered to the
12 sheriff to be collected by the sheriff or sold at public sale
13 and the proceeds thereof applied towards the payment of costs
14 and the satisfaction of the judgment. If the judgment debtor's
15 property is of such a nature that it is not readily delivered
16 up to the sheriff for public sale or if another method of sale
17 is more appropriate to liquidate the property or enhance its
18 value at sale, the court may order the sale of such property by
19 the debtor, third party respondent, or by a selling agent other
20 than the sheriff upon such terms as are just and equitable. The
21 proceeds of sale, after deducting reasonable and necessary
22 expenses, are to be turned over to the creditor and applied to
23 the balance due on the judgment.

24 (f) (1) The citation may prohibit the party to whom it is
25 directed from making or allowing any transfer or other
26 disposition of, or interfering with, any property not exempt

1 from the enforcement of a judgment therefrom, a deduction order
2 or garnishment, belonging to the judgment debtor or to which he
3 or she may be entitled or which may thereafter be acquired by
4 or become due to him or her, and from paying over or otherwise
5 disposing of any moneys not so exempt which are due or to
6 become due to the judgment debtor, until the further order of
7 the court or the termination of the proceeding, whichever
8 occurs first. The third party may not be obliged to withhold
9 the payment of any moneys beyond double the amount of the
10 balance due sought to be enforced by the judgment creditor. The
11 court may punish any party who violates the restraining
12 provision of a citation as and for a contempt, or if the party
13 is a third party may enter judgment against him or her in the
14 amount of the unpaid portion of the judgment and costs
15 allowable under this Section, or in the amount of the value of
16 the property transferred, whichever is lesser.

17 (2) The court may enjoin any person, whether or not a party
18 to the supplementary proceeding, from making or allowing any
19 transfer or other disposition of, or interference with, the
20 property of the judgment debtor not exempt from the enforcement
21 of a judgment, a deduction order or garnishment, or the
22 property or debt not so exempt concerning which any person is
23 required to attend and be examined until further direction in
24 the premises. The injunction order shall remain in effect until
25 vacated by the court or until the proceeding is terminated,
26 whichever first occurs.

1 (g) If it appears that any property, chose in action,
2 credit or effect discovered, or any interest therein, is
3 claimed by any person, the court shall, as in garnishment
4 proceedings, permit or require the claimant to appear and
5 maintain his or her right. The rights of the person cited and
6 the rights of any adverse claimant shall be asserted and
7 determined pursuant to the law relating to garnishment
8 proceedings.

9 (h) Costs in proceedings authorized by this Section shall
10 be allowed, assessed and paid in accordance with rules,
11 provided that if the court determines, in its discretion, that
12 costs incurred by the judgment creditor were improperly
13 incurred, those costs shall be paid by the judgment creditor.

14 (i) This Section is in addition to and does not affect
15 enforcement of judgments or proceedings supplementary thereto,
16 by any other methods now or hereafter provided by law.

17 (j) This Section does not grant the power to any court to
18 order installment or other payments from, or compel the sale,
19 delivery, surrender, assignment or conveyance of any property
20 exempt by statute from the enforcement of a judgment thereon, a
21 deduction order, garnishment, attachment, sequestration,
22 process or other levy or seizure.

23 (k) (Blank).

24 (k-3) The court may enter any order upon or judgment
25 against the respondent cited that could be entered in any
26 garnishment proceeding under Part 7 of Article XII of this

1 Code. This subsection (k-3) shall be construed as being
2 declarative of existing law and not as a new enactment.

3 (k-5) If the court determines that any property held by a
4 third party respondent is wages pursuant to Section 12-801, the
5 court shall proceed as if a wage deduction proceeding had been
6 filed and proceed to enter such necessary and proper orders as
7 would have been entered in a wage deduction proceeding
8 including but not limited to the granting of the statutory
9 exemptions allowed by Section 12-803 and all other remedies
10 allowed plaintiff and defendant pursuant to Part 8 of Article
11 12 of this Act.

12 (k-10) If a creditor discovers personal property of the
13 judgment debtor that is subject to the lien of a citation to
14 discover assets, the creditor may have the court impress a lien
15 against a specific item of personal property, including a
16 beneficial interest in a land trust. The lien survives the
17 termination of the citation proceedings and remains as a lien
18 against the personal property in the same manner that a
19 judgment lien recorded against real property pursuant to
20 Section 12-101 remains a lien on real property. If the judgment
21 is revived before dormancy, the lien shall remain. A lien
22 against personal property may, but need not, be recorded in the
23 office of the recorder or filed as an informational filing
24 pursuant to the Uniform Commercial Code.

25 (l) At any citation hearing at which the judgment debtor
26 appears and seeks a declaration that certain of his or her

1 income or assets are exempt, the court shall proceed to
2 determine whether the property which the judgment debtor
3 declares to be exempt is exempt from judgment. At any time
4 before the return date specified on the citation, the judgment
5 debtor may request, in writing, a hearing to declare exempt
6 certain income and assets by notifying the clerk of the court
7 before that time, using forms as may be provided by the clerk
8 of the court. The clerk of the court will obtain a prompt
9 hearing date from the court and will provide the necessary
10 forms that must be prepared by the judgment debtor or the
11 attorney for the judgment debtor and sent to the judgment
12 creditor, or the judgment creditor's attorney, regarding the
13 time and location of the hearing. This notice may be sent by
14 regular first class mail. At the hearing, the court shall
15 immediately, unless for good cause shown that the hearing is to
16 be continued, shall proceed to determine whether the property
17 which the judgment debtor declares to be exempt is exempt from
18 judgment. The restraining provisions of subsection (f) shall
19 not apply to any property determined by the court to be exempt.

20 (m) The judgment or balance due on the judgment becomes a
21 lien when a citation is served in accordance with subsection
22 (a) of this Section. The lien binds nonexempt personal
23 property, including money, choses in action, and effects of the
24 judgment debtor as follows:

25 (1) When the citation is directed against the judgment
26 debtor, upon all personal property belonging to the

1 judgment debtor in the possession or control of the
2 judgment debtor or which may thereafter be acquired or come
3 due to the judgment debtor to the time of the disposition
4 of the citation.

5 (2) When the citation is directed against a third
6 party, upon all personal property belonging to the judgment
7 debtor in the possession or control of the third party or
8 which thereafter may be acquired or come due the judgment
9 debtor and comes into the possession or control of the
10 third party to the time of the disposition of the citation.

11 The lien established under this Section does not affect the
12 rights of citation respondents in property prior to the service
13 of the citation upon them and does not affect the rights of
14 bona fide purchasers or lenders without notice of the citation.
15 The lien is effective for the period specified by Supreme Court
16 Rule.

17 This subsection (m), as added by Public Act 88-48, is a
18 declaration of existing law.

19 (n) If any provision of this Act or its application to any
20 person or circumstance is held invalid, the invalidity of that
21 provision or application does not affect the provisions or
22 applications of the Act that can be given effect without the
23 invalid provision or application.

24 (o) The changes to this Section made by this amendatory Act
25 of the 97th General Assembly apply only to supplementary
26 proceedings commenced under this Section on or after the

1 effective date of this amendatory Act of the 97th General
2 Assembly. The requirements or limitations set forth in
3 subsections (b-1), (b-5), (b-10), (c-5), and (d-5) do not apply
4 to the enforcement of any order or judgment resulting from an
5 adjudication of a municipal ordinance violation that is subject
6 to Supreme Court Rules 570 through 579, or from an
7 administrative adjudication of such an ordinance violation.

8 (Source: P.A. 97-350, eff. 1-1-12; 97-848, eff. 7-25-12;
9 98-557, eff. 1-1-14.)

10 (735 ILCS 5/12-803) (from Ch. 110, par. 12-803)

11 Sec. 12-803. Wages subject to collection. The wages,
12 salary, commissions and bonuses subject to collection under a
13 deduction order, for any work week shall be the lesser of (1)
14 10% ~~15%~~ of such gross amount paid for that week or (2) the
15 amount by which disposable earnings for a week exceed 50 ~~45~~
16 times the Federal Minimum Hourly Wage prescribed by Section
17 206(a)(1) of Title 29 of the United States Code, as amended,
18 or, under a wage deduction summons served on or after January
19 1, 2006, the minimum hourly wage prescribed by Section 4 of the
20 Minimum Wage Law or the local minimum hourly wage law to which
21 the debtor's employer is subject, whichever is greater, in
22 effect at the time the amounts are payable. This provision (and
23 no other) applies irrespective of the place where the
24 compensation was earned or payable and the State where the
25 employee resides. No amounts required by law to be withheld may

1 be taken from the amount collected by the creditor. The term
2 "disposable earnings" means that part of the earnings of any
3 individual remaining after the deduction from those earnings of
4 any amounts required by law to be withheld.

5 (Source: P.A. 94-306, eff. 1-1-06; 95-661, eff. 1-1-08.)

6 (735 ILCS 5/12-805) (from Ch. 110, par. 12-805)

7 Sec. 12-805. Summons; Issuance.

8 (a) Upon the filing by a judgment creditor, its attorney or
9 other designee of (1) an affidavit that the affiant believes
10 any person is indebted to the judgment debtor for wages due or
11 to become due, as provided in Part 8 of Article XII of this
12 Act, and includes the last address of the judgment debtor known
13 to the affiant as well as the name of the judgment debtor, and
14 a certification by the judgment creditor or his attorney that,
15 before filing the affidavit, the wage deduction notice has been
16 mailed to the judgment debtor by first class mail at the
17 judgment debtor's last known address, and (2) written
18 interrogatories to be answered by the employer with respect to
19 the indebtedness, the clerk of the court in which the judgment
20 was entered shall issue summons against the person named in the
21 affidavit as employer commanding the employer to appear in the
22 court and answer the interrogatories in writing under oath. The
23 interrogatories shall elicit all the information necessary to
24 determine the proper amount of non-exempt wages. The
25 interrogatories shall require that the employer certify that a

1 copy of the completed interrogatories as specified in
2 subsection (c) of Section 12-808 has been mailed or hand
3 delivered to the judgment debtor and shall be in a form
4 consistent with local court rules. The summons shall further
5 command federal agency employers, upon effective service of
6 summons pursuant to 5 USC 5520a, to commence to pay over
7 deducted wages in accordance with Section 12-808. The summons
8 shall be in a form consistent with local court rules. The
9 summons shall be accompanied by a copy of the underlying
10 judgment or a certification by the clerk of the court that
11 entered the judgment, or by the attorney for the judgment
12 creditor, setting forth the date and amount of the judgment,
13 allowable costs expended, interest accumulated, credits paid
14 by or on behalf of the judgment debtor and the balance due the
15 judgment creditor, and one copy of a wage deduction notice in
16 substantially the following form:

17 "WAGE DEDUCTION NOTICE

18 (Name and address of Court)

19 Name of Case: (Name of Judgment Creditor),

20 Judgment Creditor v.

21 (Name of Judgment Debtor),

22 Judgment Debtor.

23 Address of Judgment Debtor: (Insert last known address)

24 Name and Address of Attorney for Judgment

25 Creditor or of Judgment Creditor (if no

26 attorney is listed): (Insert name and address)

1 Amount of Judgment: \$.....

2 Employer: (Name of Employer)

3 Return Date: (Insert return date specified in summons)

4 NOTICE: The court shall be asked to issue a wage deduction
5 summons against the employer named above for wages due or about
6 to become due to you. The wage deduction summons may be issued
7 on the basis of a judgment against you in favor of the judgment
8 creditor in the amount stated above.

9 The amount of wages that may be deducted is limited by
10 federal and Illinois law.

11 (1) Under Illinois law, the amount of wages that may be
12 deducted is limited to the lesser of (i) 10% ~~15%~~ of gross
13 weekly wages or (ii) the amount by which disposable
14 earnings for a week exceed the total of 50 ~~45~~ times the
15 federal minimum hourly wage or, under a wage deduction
16 summons served on or after January 1, 2006, the minimum
17 hourly wage prescribed by Section 4 of the Minimum Wage Law
18 or the local minimum hourly wage law to which the debtor's
19 employer is subject, whichever is greater.

20 (2) Under federal law, the amount of wages that may be
21 deducted is limited to the lesser of (i) 25% of disposable
22 earnings for a week or (ii) the amount by which disposable
23 earnings for a week exceed 30 times the federal minimum
24 hourly wage.

25 (3) Pension and retirement benefits and refunds may be
26 claimed as exempt from wage deduction under Illinois law.

1 You have the right to request a hearing before the court to
2 dispute the wage deduction because the wages are exempt. To
3 obtain a hearing in counties with a population of 1,000,000 or
4 more, you must notify the Clerk of the Court in person and in
5 writing at (insert address of Clerk) before the Return Date
6 specified above or appear in court on the date and time on that
7 Return Date. To obtain a hearing in counties with a population
8 of less than 1,000,000, you must notify the Clerk of the Court
9 in writing at (insert address of clerk) on or before the Return
10 Date specified above. The Clerk of the Court will provide a
11 hearing date and the necessary forms that must be prepared by
12 you or your attorney and sent to the judgment creditor and the
13 employer, or their attorney, regarding the time and location of
14 the hearing. This notice may be sent by regular first class
15 mail."

16 (b) In a county with a population of less than 1,000,000,
17 unless otherwise provided by circuit court rule, at the request
18 of the judgment creditor or his or her attorney and instead of
19 personal service, service of a summons for a wage deduction may
20 be made as follows:

21 (1) For each employer to be served, the judgment
22 creditor or his or her attorney shall pay to the clerk of
23 the court a fee of \$2, plus the cost of mailing, and
24 furnish to the clerk an original and one copy of a summons,
25 an original and one copy of the interrogatories and an
26 affidavit setting forth the employer's mailing address, an

1 original and one copy of the wage deduction notice required
2 by subsection (a) of this Section, and a copy of the
3 judgment or certification described in subsection (a) of
4 this Section. The original judgment shall be retained by
5 the clerk.

6 (2) The clerk shall mail to the employer, at the
7 address appearing in the affidavit, the copy of the
8 judgment or certification described in subsection (a) of
9 this Section, the summons, the interrogatories, and the
10 wage deduction notice required by subsection (a) of this
11 Section, by certified or registered mail, return receipt
12 requested, showing to whom delivered and the date and
13 address of delivery. This Mailing shall be mailed on a
14 "restricted delivery" basis when service is directed to a
15 natural person. The envelope and return receipt shall bear
16 the return address of the clerk, and the return receipt
17 shall be stamped with the docket number of the case. The
18 receipt for certified or registered mail shall state the
19 name and address of the addressee, the date of the mailing,
20 shall identify the documents mailed, and shall be attached
21 to the original summons.

22 (3) The return receipt must be attached to the original
23 summons and, if it shows delivery at least 3 days before
24 the return date, shall constitute proof of service of any
25 documents identified on the return receipt as having been
26 mailed.

1 (4) The clerk shall note the fact of service in a
2 permanent record.

3 (c) Instead of personal service, a summons for a wage
4 deduction may be served and returned in the manner provided by
5 Supreme Court rule for service, otherwise than by publication,
6 of a notice for additional relief upon a party in default.

7 (Source: P.A. 94-306, eff. 1-1-06.)

8 (735 ILCS 5/12-808) (from Ch. 110, par. 12-808)

9 Sec. 12-808. Duty of employer.

10 (a) An employer served as herein provided shall pay the
11 employee the amount of his or her exempt wages.

12 (b) To the extent of the amount due upon the judgment and
13 costs, the employer shall hold, subject to order of court, any
14 non-exempt wages due or which subsequently come due. The
15 judgment or balance due thereon is a lien on wages due at the
16 time of the service of summons, and such lien shall continue as
17 to subsequent earnings until the total amount due upon the
18 judgment and costs is paid, except that such lien on subsequent
19 earnings shall terminate sooner if the employment relationship
20 is terminated or if the underlying judgment is vacated or
21 modified.

22 (b-5) If the employer is a federal agency employer and the
23 creditor is represented by an attorney, then the employer, upon
24 service of summons and to the extent of the amount due upon the
25 judgment and costs, shall commence to pay over to the attorney

1 for the judgment creditor any non-exempt wages due or that
2 subsequently come due. The attorney for the judgment creditor
3 shall thereafter hold the deducted wages subject to further
4 order of the court and shall make answer to the court regarding
5 amounts received from the federal agency employer. The federal
6 agency employer's periodic payments shall be considered a
7 sufficient answer to the interrogatories.

8 (c) Except as provided in subsection (b-5), the employer
9 shall file, on or before the return date or within the further
10 time that the court for cause may allow, a written answer under
11 oath to the interrogatories, setting forth the amount due as
12 wages to the judgment debtor for the payroll periods ending
13 immediately prior to the service of the summons and a summary
14 of the computation used to determine the amount of non-exempt
15 wages. Except as provided in subsection (b-5), the employer
16 shall mail by first class mail or hand deliver a copy of the
17 answer to the judgment debtor at the address specified in the
18 affidavit filed under Section 12-805 of this Act, or at any
19 other address or location of the judgment debtor known to the
20 employer.

21 A lien obtained hereunder shall have priority over any
22 subsequent lien obtained hereunder, except that liens for the
23 support of a spouse or dependent children shall have priority
24 over all other liens obtained hereunder. Subsequent summonses
25 shall be effective in the order in which they are served.

26 (d) The Illinois Supreme Court may by rule allow an

1 employer to file answers to interrogatories by facsimile
2 transmission.

3 (e) Pursuant to answer under oath to the interrogatories by
4 the employer, an order shall be entered compelling the employer
5 to deduct from wages of the judgment debtor subject to
6 collection under a deduction order an amount which is the
7 lesser of (i) 10% ~~15%~~ of the gross amount of the wages or (ii)
8 the amount by which disposable earnings for a week exceed 50 ~~45~~
9 times the Federal Minimum Hourly Wage prescribed by Section
10 206(a)(1) of Title 29 of the United States Code, as amended, in
11 effect at the time the amounts are payable, for each pay period
12 in which statutory exemptions under Section 12-804 and child
13 support garnishments, if any, leave funds to be remitted or,
14 under a wage deduction summons served on or after January 1,
15 2006, the minimum hourly wage prescribed by Section 4 of the
16 Minimum Wage Law or the local minimum hourly wage law to which
17 the debtor's employer is subject, whichever is greater. The
18 order shall further provide that deducted wages shall be
19 remitted to the creditor or creditor's attorney on a monthly
20 basis.

21 (f) If after the entry of a deduction order, the employer
22 ceases to remit funds to the plaintiff pursuant to the order
23 without a lawful excuse (which would terminate the employer's
24 obligation under the deduction order such as the debtor having
25 filed a bankruptcy, the debtor having left employment or the
26 employer having received service of a support order against the

1 judgment debtor having priority over the wage deduction
2 proceedings), the court shall, upon plaintiff's motion, enter a
3 conditional judgment against the employer for the balance due
4 on the judgment. The plaintiff may then issue a Summons After
5 Conditional Judgment. After service of the Summons After
6 Conditional Judgment, the employer may show cause why the
7 conditional judgment, or some portion thereof should not be
8 made a final judgment. If the employer shall fail to respond or
9 show cause why the conditional judgment or some portion thereof
10 should not be made final, the court shall confirm the
11 conditional judgment and make it final as to the employer plus
12 additional court costs.

13 (Source: P.A. 94-306, eff. 1-1-06; 95-661, eff. 1-1-08.)

14 (735 ILCS 5/12-1001) (from Ch. 110, par. 12-1001)

15 Sec. 12-1001. Personal property exempt. Subject to Section
16 12-1001.5, the ~~The~~ following personal property, owned by the
17 debtor, is exempt from judgment, attachment, or distress for
18 rent:

19 (a) The necessary wearing apparel, bible, school
20 books, and family pictures of the debtor and the debtor's
21 dependents;

22 (b) The debtor's equity interest, not to exceed \$4,000
23 in value, in any other property;

24 (c) The debtor's interest, not to exceed \$2,400 in
25 value, in any one motor vehicle;

1 (d) The debtor's equity interest, not to exceed \$1,500
2 in value, in any implements, professional books, or tools
3 of the trade of the debtor;

4 (e) Professionally prescribed health aids for the
5 debtor or a dependent of the debtor;

6 (f) All proceeds payable because of the death of the
7 insured and the aggregate net cash value of any or all life
8 insurance and endowment policies and annuity contracts
9 payable to a wife or husband of the insured, or to a child,
10 parent, or other person dependent upon the insured, or to a
11 revocable or irrevocable trust which names the wife or
12 husband of the insured or which names a child, parent, or
13 other person dependent upon the insured as the primary
14 beneficiary of the trust, whether the power to change the
15 beneficiary is reserved to the insured or not and whether
16 the insured or the insured's estate is a contingent
17 beneficiary or not;

18 (g) The debtor's right to receive:

19 (1) a social security benefit, unemployment
20 compensation, or public assistance benefit;

21 (2) a veteran's benefit;

22 (3) a disability, illness, or unemployment
23 benefit; and

24 (4) alimony, support, or separate maintenance, to
25 the extent reasonably necessary for the support of the
26 debtor and any dependent of the debtor.

1 (h) The debtor's right to receive, or property that is
2 traceable to:

3 (1) an award under a crime victim's reparation law;

4 (2) a payment on account of the wrongful death of
5 an individual of whom the debtor was a dependent, to
6 the extent reasonably necessary for the support of the
7 debtor;

8 (3) a payment under a life insurance contract that
9 insured the life of an individual of whom the debtor
10 was a dependent, to the extent reasonably necessary for
11 the support of the debtor or a dependent of the debtor;

12 (4) a payment, not to exceed \$15,000 in value, on
13 account of personal bodily injury of the debtor or an
14 individual of whom the debtor was a dependent; and

15 (5) any restitution payments made to persons
16 pursuant to the federal Civil Liberties Act of 1988 and
17 the Aleutian and Pribilof Island Restitution Act, P.L.
18 100-383.

19 For purposes of this subsection (h), a debtor's right
20 to receive an award or payment shall be exempt for a
21 maximum of 2 years after the debtor's right to receive the
22 award or payment accrues; property traceable to an award or
23 payment shall be exempt for a maximum of 5 years after the
24 award or payment accrues; and an award or payment and
25 property traceable to an award or payment shall be exempt
26 only to the extent of the amount of the award or payment,

1 without interest or appreciation from the date of the award
2 or payment.

3 (i) The debtor's right to receive an award under Part
4 20 of Article II of this Code relating to crime victims'
5 awards.

6 (j) Moneys held in educational expense accounts and
7 similar types of educational savings accounts, including,
8 but not limited to, an account invested in the Illinois
9 College Savings Pool of which the debtor is a participant
10 or donor, funds invested in an ABLE Account as defined by
11 Section 529 of the Internal Revenue Code, and funds
12 invested in a 529 Plan as defined by Section 529 of the
13 Internal Revenue Code, except the following non-exempt
14 contributions:

15 (1) any contribution to such account by the debtor
16 as participant or donor that is made with the actual
17 intent to hinder, delay, or defraud any creditor of the
18 debtor;

19 (2) any contributions to such account by the debtor
20 as participant during the 365 day period prior to the
21 date of filing of the debtor's petition for bankruptcy
22 that, in the aggregate during such period, exceed the
23 amount of the annual gift tax exclusion under Section
24 2503(b) of the Internal Revenue Code of 1986, as
25 amended, in effect at the time of contribution; or

26 (3) any contributions to such account by the debtor

1 as participant during the period commencing 730 days
2 prior to and ending 366 days prior to the date of
3 filing of the debtor's petition for bankruptcy that, in
4 the aggregate during such period, exceed the amount of
5 the annual gift tax exclusion under Section 2503(b) of
6 the Internal Revenue Code of 1986, as amended, in
7 effect at the time of contribution.

8 For purposes of this subsection (j), "account"
9 includes all accounts for a particular designated
10 beneficiary, of which the debtor is a participant or donor.

11 (k) An amount not to exceed \$6,000, held by the debtor
12 in the form of cash, a bank account, accrued interest,
13 dividends, the loan or redemption value of a life insurance
14 policy, or other type of account. A financial institution
15 shall not freeze the debtor's access to or turn over to the
16 judgment creditor the amount in the debtor's account that
17 is \$6,000 or less, but shall inform the court and the
18 judgment creditor of the exempt amount. The judgment
19 creditor may, upon notice to the financial institution and
20 the debtor, petition the court for a hearing to establish
21 that the funds in the account are not exempt.

22 Money due the debtor from the sale of any personal property
23 that was exempt from judgment, attachment, or distress for rent
24 at the time of the sale is exempt from attachment and
25 garnishment to the same extent that the property would be
26 exempt had the same not been sold by the debtor.

1 If a debtor owns property exempt under this Section and he
2 or she purchased that property with the intent of converting
3 nonexempt property into exempt property or in fraud of his or
4 her creditors, that property shall not be exempt from judgment,
5 attachment, or distress for rent. Property acquired within 6
6 months of the filing of the petition for bankruptcy shall be
7 presumed to have been acquired in contemplation of bankruptcy.

8 The personal property exemptions set forth in this Section
9 shall apply only to individuals and only to personal property
10 that is used for personal rather than business purposes. The
11 personal property exemptions set forth in this Section shall
12 not apply to or be allowed against any money, salary, or wages
13 due or to become due to the debtor that are required to be
14 withheld in a wage deduction proceeding under Part 8 of this
15 Article XII.

16 (Source: P.A. 97-1030, eff. 8-17-12.)

17 (735 ILCS 5/12-1001.5 new)

18 Sec. 12-1001.5. Adjustment of exempted amounts.

19 (a) The dollar amounts in Section 12-1001 of this Code
20 shall change periodically, as provided in this Section,
21 according to and to the extent of changes in the Consumer Price
22 Index for Urban Wage Earners and Clerical Workers: U.S. City
23 Average, All Items, compiled by the Bureau of Labor Statistics
24 of the United States Department of Labor and referred to in
25 this Section as the index. The index for December 2015 is the

1 reference base index.

2 (b) The dollar amounts in Section 12-1001 shall change on
3 July 1 of each even-numbered year if the percentage of change,
4 calculated to the nearest whole percentage point, between the
5 index for December of the preceding year and the reference base
6 index is 10% or more. The portion of the percentage change in
7 the index in excess of a multiple of 10% shall be disregarded
8 and the dollar amounts shall change only in multiples of 10% of
9 the amounts stated in Section 12-1001 of this Code. Changes in
10 dollar amounts are to be rounded to the nearest whole dollar.

11 (c) If the index is revised, the percentage of change
12 pursuant to this Section shall be calculated on the basis of
13 the revised index. If a revision of the index changes the
14 reference base index, a revised reference base index is
15 determined by multiplying the reference base index applicable
16 by the rebasing factor furnished by the Bureau of Labor
17 Statistics. If the index is superseded, the index referred to
18 in this Section is the one represented by the Bureau of Labor
19 Statistics as reflecting most accurately changes in the
20 purchasing power of the dollar for consumers.

21 (d) The Illinois Commerce Commission shall:

22 (1) announce and publish, on or before July 1 of each
23 year in which dollar amounts are to change, the changes in
24 dollar amounts required by subsection (b); and

25 (2) announce and publish changes in the index required
26 by subsection (c) promptly after the changes occur,

1 including, if applicable, the numerical equivalent of the
2 reference base index under a revised reference base index
3 and the designation or title of any index superseding the
4 index.

5 Section 10. The Illinois Wage Assignment Act is amended by
6 changing Section 1 as follows:

7 (740 ILCS 170/1) (from Ch. 48, par. 39.1)

8 Sec. 1. Assignment of wages.

9 (a) No assignment of wages earned or to be earned is valid.
10 ~~unless~~

11 (b) The changes made by this amendatory Act of the 99th
12 General Assembly do not apply to assignments of wages in effect
13 before the effective date of this amendatory Act of the 99th
14 General Assembly.

15 ~~(1) Made in a written instrument (a) signed by the~~
16 ~~wage earner in person and (b) bearing the date of its~~
17 ~~execution, the social security number of the wage earner, the~~
18 ~~name of the employer of the wage earner at the time of its~~
19 ~~execution, the amount of the money loaned or the price of the~~
20 ~~articles sold or other consideration given, the rate of~~
21 ~~interest or time-price differential, if any, to be paid, and~~
22 ~~the date when such payments are due;~~

23 ~~(2) Given to secure an existing debt of the wage earner or~~
24 ~~one contracted by the wage earner simultaneously with its~~

1 ~~execution;~~

2 ~~(3) An exact copy thereof is furnished to the wage earner~~
3 ~~at the time the assignment is executed;~~

4 ~~(4) The words "Wage Assignment" are printed or written in~~
5 ~~bold face letters of not less than 1/4 inch in height at the~~
6 ~~head of the wage assignment and also one inch above or below~~
7 ~~the line where the wage earner signs that assignment;~~

8 ~~(5) Written as a separate instrument complete in itself and~~
9 ~~not a part of any conditional sales contract or any other~~
10 ~~instrument.~~

11 ~~The requirement of the social security number of the~~
12 ~~wage earner imposed by this Act applies only as to wage~~
13 ~~assignments made after January 1, 1966.~~

14 (Source: Laws 1967, p. 2049.)

15 (740 ILCS 170/2 rep.)

16 (740 ILCS 170/2.1 rep.)

17 (740 ILCS 170/2.2 rep.)

18 (740 ILCS 170/3 rep.)

19 (740 ILCS 170/4 rep.)

20 (740 ILCS 170/4.1 rep.)

21 (740 ILCS 170/4.2 rep.)

22 (740 ILCS 170/4.3 rep.)

23 (740 ILCS 170/5 rep.)

24 (740 ILCS 170/6 rep.)

25 (740 ILCS 170/7 rep.)

1 (740 ILCS 170/8 rep.)

2 (740 ILCS 170/9 rep.)

3 (740 ILCS 170/10 rep.)

4 (740 ILCS 170/11 rep.)

5 Section 15. The Illinois Wage Assignment Act is amended by
6 repealing Sections 2, 2.1, 2.2, 3, 4, 4.1, 4.2, 4.3, 5, 6, 7,
7 8, 9, 10, and 11.

8 Section 20. The Illinois Wage Payment and Collection Act is
9 amended by changing Section 9 as follows:

10 (820 ILCS 115/9) (from Ch. 48, par. 39m-9)

11 Sec. 9. Except as hereinafter provided, deductions by
12 employers from wages or final compensation are prohibited
13 unless such deductions are (1) required by law; (2) to the
14 benefit of the employee; (3) in response to a valid ~~wage~~
15 ~~assignment or~~ wage deduction order; (4) made with the express
16 written consent of the employee, given freely at the time the
17 deduction is made; (5) made by a municipality with a population
18 of 500,000 or more, a county with a population of 3,000,000 or
19 more, a community college district in a city with a population
20 of 500,000 or more, a housing authority in a municipality with
21 a population of 500,000 or more, the Chicago Park District, the
22 Metropolitan Transit Authority, the Chicago Board of
23 Education, the Cook County Forest Preserve District, or the
24 Metropolitan Water Reclamation District to pay a debt owed by

1 the employee to a municipality with a population of 500,000 or
2 more, a county with a population of 3,000,000 or more, the Cook
3 County Forest Preserve, the Chicago Park District, the
4 Metropolitan Water Reclamation District, the Chicago Transit
5 Authority, the Chicago Board of Education, or a housing
6 authority of a municipality with a population of 500,000 or
7 more; provided, however, that the amount deducted from any one
8 salary or wage payment shall not exceed 25% of the net amount
9 of the payment; or (6) made by a housing authority in a
10 municipality with a population of 500,000 or more or a
11 municipality with a population of 500,000 or more to pay a debt
12 owed by the employee to a housing authority in a municipality
13 with a population of 500,000 or more; provided, however, that
14 the amount deducted from any one salary or wage payment shall
15 not exceed 25% of the net amount of the payment. Before the
16 municipality with a population of 500,000 or more, the
17 community college district in a city with a population of
18 500,000 or more, the Chicago Park District, the Metropolitan
19 Transit Authority, a housing authority in a municipality with a
20 population of 500,000 or more, the Chicago Board of Education,
21 the county with a population of 3,000,000 or more, the Cook
22 County Forest Preserve District, or the Metropolitan Water
23 Reclamation District deducts any amount from any salary or wage
24 of an employee to pay a debt owed to a municipality with a
25 population of 500,000 or more, a county with a population of
26 3,000,000 or more, the Cook County Forest Preserve District,

1 the Chicago Park District, the Metropolitan Water Reclamation
2 District, the Chicago Transit Authority, the Chicago Board of
3 Education, or a housing authority of a municipality with a
4 population of 500,000 or more under this Section, the
5 municipality, the county, the Cook County Forest Preserve
6 District, the Chicago Park District, the Metropolitan Water
7 Reclamation District, the Chicago Transit Authority, the
8 Chicago Board of Education, or a housing authority of a
9 municipality with a population of 500,000 or more shall certify
10 that (i) the employee has been afforded an opportunity for a
11 hearing to dispute the debt that is due and owing the
12 municipality, the county, the Cook County Forest Preserve
13 District, the Chicago Park District, the Metropolitan Water
14 Reclamation District, the Chicago Transit Authority, the
15 Chicago Board of Education, or a housing authority of a
16 municipality with a population of 500,000 or more and (ii) the
17 employee has received notice of a wage deduction order and has
18 been afforded an opportunity for a hearing to object to the
19 order. Before a housing authority in a municipality with a
20 population of 500,000 or more or a municipality with a
21 population of 500,000 or more, a county with a population of
22 3,000,000 or more, the Cook County Forest Preserve District,
23 the Chicago Park District, the Metropolitan Water Reclamation
24 District, the Chicago Transit Authority, the Chicago Board of
25 Education, or a housing authority of a municipality with a
26 population of 500,000 or more deducts any amount from any

1 salary or wage of an employee to pay a debt owed to a housing
2 authority in a municipality with a population of 500,000 or
3 more under this Section, the housing authority shall certify
4 that (i) the employee has been afforded an opportunity for a
5 hearing to dispute the debt that is due and owing the housing
6 authority and (ii) the employee has received notice of a wage
7 deduction order and has been afforded an opportunity for a
8 hearing to object to the order. For purposes of this Section,
9 "net amount" means that part of the salary or wage payment
10 remaining after the deduction of any amounts required by law to
11 be deducted and "debt due and owing" means (i) a specified sum
12 of money owed to the municipality, county, the Cook County
13 Forest Preserve District, the Chicago Park District, the
14 Metropolitan Water Reclamation District, the Chicago Transit
15 Authority, the Chicago Board of Education, or housing authority
16 for services, work, or goods, after the period granted for
17 payment has expired, or (ii) a specified sum of money owed to
18 the municipality, county, the Cook County Forest Preserve
19 District, the Chicago Park District, the Metropolitan Water
20 Reclamation District, the Chicago Transit Authority, the
21 Chicago Board of Education or housing authority pursuant to a
22 court order or order of an administrative hearing officer after
23 the exhaustion of, or the failure to exhaust, judicial review;
24 (7) the result of an excess payment made due to, but not
25 limited to, a typographical or mathematical error made by a
26 municipality with a population of less than 500,000 or to

1 collect a debt owed to a municipality with a population of less
2 than 500,000 after notice to the employee and an opportunity to
3 be heard; provided, however, that the amount deducted from any
4 one salary or wage payment shall not exceed 15% of the net
5 amount of the payment. Before the municipality deducts any
6 amount from any salary or wage of an employee to pay a debt
7 owed to the municipality, the municipality shall certify that
8 (i) the employee has been afforded an opportunity for a
9 hearing, conducted by the municipality, to dispute the debt
10 that is due and owing the municipality, and (ii) the employee
11 has received notice of a wage deduction order and has been
12 afforded an opportunity for a hearing, conducted by the
13 municipality, to object to the order. For purposes of this
14 Section, "net amount" means that part of the salary or wage
15 payment remaining after the deduction of any amounts required
16 by law to be deducted and "debt due and owing" means (i) a
17 specified sum of money owed to the municipality for services,
18 work, or goods, after the period granted for payment has
19 expired, or (ii) a specified sum of money owed to the
20 municipality pursuant to a court order or order of an
21 administrative hearing officer after the exhaustion of, or the
22 failure to exhaust, judicial review. Where the legitimacy of
23 any deduction from wages is in dispute, the amount in question
24 may be withheld if the employer notifies the Department of
25 Labor on the date the payment is due in writing of the amount
26 that is being withheld and stating the reasons for which the

1 payment is withheld. Upon such notification the Department of
2 Labor shall conduct an investigation and render a judgment as
3 promptly as possible, and shall complete such investigation
4 within 30 days of receipt of the notification by the employer
5 that wages have been withheld. The employer shall pay the wages
6 due upon order of the Department of Labor within 15 calendar
7 days of issuance of a judgment on the dispute.

8 The Department shall establish rules to protect the
9 interests of both parties in cases of disputed deductions from
10 wages. Such rules shall include reasonable limitations on the
11 amount of deductions beyond those required by law which may be
12 made during any pay period by any employer.

13 In case of a dispute over wages, the employer shall pay,
14 without condition and within the time set by this Act, all
15 wages or parts thereof, conceded by him to be due, leaving to
16 the employee all remedies to which he may otherwise be entitled
17 as to any balance claimed. The acceptance by an employee of a
18 disputed paycheck shall not constitute a release as to the
19 balance of his claim and any release or restrictive endorsement
20 required by an employer as a condition to payment shall be a
21 violation of this Act and shall be void.

22 (Source: P.A. 97-120, eff. 1-1-12.)

23 Section 99. Effective date. This Act takes effect upon
24 becoming law.